

AMENDED IN ASSEMBLY APRIL 10, 2014

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2395

**Introduced by Assembly Member Lowenthal
(Principal coauthor: Assembly Member Gorell)**

February 21, 2014

An act to add Section 6087 to the Harbors and Navigation Code, relating to harbor districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2395, as amended, Lowenthal. Oxnard Harbor District: infrastructure projects: funding.

(1) Existing law prescribes procedures for the formation of harbor districts, and sets forth the powers of a district with regard to the operation, management, and development of harbor facilities in a district. Existing law authorizes the board of a harbor district, among other things, to borrow up to \$1,000,000 for the purposes of acquiring land for constructing or operating any work, project, or certain authorized facilities or for the making of improvements or the purchase of equipment for the maintenance of those facilities, as prescribed.

This bill would, notwithstanding that borrowing limit, authorize the Oxnard Harbor District to borrow money and incur indebtedness and to accept financial or other assistance from the state or federal government, *provided that the proposed borrowing is not in excess of 15% of the district's total assets, specified, as described, is considered at a public hearing, and is approved by a $\frac{2}{3}$ vote of the members of the board of harbor commissioners for the district.* The bill would authorize

the district to expend any funds made available to the district pursuant to those provisions for the acquisition of any interests in lands, as specified, and for projects involving the acquisition, construction, development, ownership, and leasing of port facilities, infrastructure, or other projects, as described.

(2) This bill would make legislative findings and declarations as to the necessity of a special statute for the Oxnard Harbor District.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature hereby finds and declares all of
2 the following:

3 (a) The Oxnard Harbor District owns and operates the Port of
4 Hueneme. Although the Port of Hueneme is the only deep-water
5 port between the major Pacific Ocean ports of northern and
6 southern California, its depth at present is only 35 feet at mean
7 lower low water (MLLW). A depth of at least 40 feet at MLLW
8 is necessary to provide the port with the capacity to accommodate
9 a wider variety of vessels to meet anticipated demands. As a result,
10 the Oxnard Harbor District needs to finance several significant
11 infrastructure projects over the next several decades to expand the
12 limited capacity of the port.

13 (b) The existing one-million-dollar (\$1,000,000) limit on the
14 borrowing of money set forth in Section 6084 of the Harbors and
15 Navigation Code impedes the Oxnard Harbor District's ability to
16 develop the infrastructure and systems necessary to continue the
17 development of the Port of Hueneme to expand the port's capacity
18 and meet anticipated demands.

19 (c) In December 2013, the Oxnard Harbor District successfully
20 implemented the Shoreside Power Project, which will dramatically
21 cut pollutants from vessel emissions particle matter (PM) by 92
22 percent, nitrous oxide emissions by 98 percent, and greenhouse
23 gas emissions (carbon dioxide) by 55 percent, over the life of the
24 project. Further, the project will benefit shippers, truckers, terminal
25 operators, dock workers, and regional and national transportation
26 systems by extending the useful life of existing wharfs for up to
27 30 years.

(d) In Spring, 2012, the Oxnard Harbor District commissioned a series of white papers as part of its commitment to providing the maximum possible economic and social benefits to the people and communities served by the Port of Hueneme. This commitment includes a responsibility to address the environmental impacts of port operations. The white papers are meant to help the port build an environmental management program, and address all of the following focus areas:

- (1) Community engagement.
- (2) Water quality.
- (3) Marine resources.
- (4) Air quality.
- (5) Soil and sediment.
- (6) Sustainability.

(e) The white papers described in subdivision (d) document important accomplishments already achieved by the Oxnard Harbor District, including all of the following:

- (1) Active participation in community events and activities.
- (2) Receipt of a \$4.5 million shoreside power grant for air quality improvements.
- (3) Implementation of phase 1 of a stormwater improvement plan.
- (4) Partnering with the United States Navy and the United States Corps of Engineers (USACE) to construct the Confined Aquatic Disposal Cell.
- (5) Actively monitoring water quality to mitigate impacts to marine life.
- (6) Replacement of conventional diesel-fueled maintenance vehicles with low-emission propane-fueled trucks.

(f) Operations and activities at the Port of Hueneme contribute meaningfully, qualitatively, and quantitatively to the economic health and vitality of southern California and the rest of the state. It has been estimated that approximately 10,226 jobs statewide are either directly or indirectly related to activities at the Port of Hueneme, and the regional agricultural, automobile, and oil and gas industries in this state rely on the workers employed in these jobs and the port's daily operations.

(g) The Oxnard Harbor District does not levy, or expend any funds generated by, local taxes, as most of its operations are funded

1 directly through fees and other revenue the port generates from its
2 users or tenants, and from occasional state and federal grants.

3 SEC. 2. Section 6087 is added to the Harbors and Navigation
4 Code, to read:

5 6087. (a) (1) Notwithstanding any other provision of this
6 part, the Oxnard Harbor District may borrow money and incur
7 indebtedness under ~~Section 6077 or 6084, in its discretion, this~~
8 *section* and may accept financial or other assistance from the state
9 or federal government.

10 (2) (A) *The district shall not borrow an amount in excess of*
11 *15 percent of its total assets, as determined based on the estimated*
12 *value of the assets included in the Port of Hueneme Comprehensive*
13 *Annual Financial Report.*

14 (B) *The district shall, prior to commencing any action to borrow*
15 *funds under this section, conduct a public hearing during which*
16 *the proposed borrowing is considered.*

17 (C) *The district shall not seek to borrow any funds under this*
18 *section unless the proposed borrowing is approved by a $\frac{2}{3}$ vote*
19 *of the members of the board harbor commissioners for the district.*

20 (b) The district may expend any funds made available to the
21 district pursuant to subdivision (a) for the acquisition of any interest
22 in lands, in accordance with Section 6075, and for the acquisition,
23 construction, development, ownership, and leasing of port facilities,
24 infrastructure, and other projects, including, but not limited to,
25 harbor deepening, and for any other buildings, plants, equipment,
26 aids, facilities, and improvements necessary for, or incident to, the
27 accommodation and promotion of commerce and fisheries in the
28 district.

29 SEC. 3. The Legislature finds and declares that a special law
30 is necessary and that a general law cannot be made applicable
31 within the meaning of Section 16 of Article IV of the California
32 Constitution because of the unique circumstances applicable only
33 to the Oxnard Harbor District.